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C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 002335

SIPDIS

STATE FOR NEA/ARP, NEA/NGA

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TAGS: [PREL](#) [KU](#) [IZ](#)

SUBJECT: AMBASSADOR'S FAREWELL CALLS ON PRIME MINISTER AND FOREIGN MINISTER

REF: A. KUWAIT 1810 B. KUWAIT 2245

Classified By: Amb. Richard H. Jones for reasons 1.4 (b) and (d)

11. (C) Summary: On July 24, the Ambassador paid farewell visits to Prime Minister Shaykh Sabah al-Ahmed Al-Sabah and Foreign Minister Shaykh Dr. Mohammed al-Sabah. Discussions centered largely on the situation in Iraq, including the Interim Government's ability to secure the country in the face of ongoing unrest and the current and future status of Iraq's security forces. On the GOK's domestic agenda, the Prime Minister and Foreign Minister both indicated the government considered economic reform and development -- not national security -- to be its highest priorities. The Foreign Minister also informed the Ambassador that a planned Amiri decree on Article 98 had been decided against; the GOK instead plans to bring the signed Article 98 agreement to a vote in the National Assembly in October. End Summary.

The Prime Minister

12. (C) Having recently returned from a four-nation, economic-themed official tour through Asia, Prime Minister Shaykh Sabah was focused on the economic gains Kuwait is attempting to realize in the wake of the liberation of Iraq and the removal of the threat posed by Saddam Hussein. The Prime Minister emphasized that it was time for Kuwait to start looking for ways to diversify its economy, and noted that the agreements that had been signed during his trip, along with the recently passed Foreign Investment Law, were aimed at attracting foreign capital to the Kuwaiti economy. He confirmed that the GOK would move forward with plans to develop Bubiyan Island into a commercial port -- possibly including rail ties into Iraq -- within four years.

13. (C) Turning to Iraq, Shaykh Sabah advised that the US withdraw its troops from major population centers, allowing the Interim Iraqi Government (IIG) to deal with the insurgency. He said the IIG would ask for help when necessary and observed that the US had already lost more than enough troops in Iraq. On Kuwait's involvement in Iraq, Shaykh Sabah said the GOK would "stay away" from direct involvement there, opting to engage the IIG, many of whom he said spend time in Kuwait. The Ambassador suggested that one way for Kuwait to engage with Iraq would be to agree to the Iraqi request that Kuwait sell Iraq 200 MW of electricity. Shaykh Sabah promised Kuwait would sell the Iraqis the requested electricity, if it could spare it.

4 (C) Inquiring about Iraq's military capabilities, the Prime Minister shared that he had heard the United States would be providing Iraq with aircraft. The Ambassador explained that the only such aircraft he was aware of were for surveillance or transport purposes. He assured the Prime Minister that there were currently no plans for sales of fighter or bomber aircraft to Iraq.

The Foreign Minister

15. (C) Fresh from the 'Iraq Neighbors Conference,' in Cairo, Foreign Minister Shaykh Dr. Mohammed al-Sabah offered the Ambassador a readout on developments at the meeting. He reported that the group had agreed that its respective Ministers of Interior would meet in Iran to discuss increased cooperation on border and security issues. In addition, he said, the Iraqis had proposed the creation of a "contact group" between Iraq's neighbors, the UNSC and "other international fora." Dr. Mohammed said the idea was tabled after the Syrian and Iranian representatives expressed concern that "other international fora" could include NATO. He added that Kuwait had successfully objected to a Syrian attempt to include language in the final communiqué condemning Israel for infiltrating agents into Iraq. Dr. Mohammed said the 'Neighbors' planned to meet again in Amman in two to three months' time.

Engaging Iraq

16. (C) Eager to draw on Ambassador Jones' experience in Iraq, Dr. Mohammed asked him what the Iraqi people thought of Kuwait, and how Kuwait should engage Iraq. The Ambassador said that Iraqis had suffered from decades of propaganda about Kuwait, and would need to be handled carefully. He

advised against rushing into large projects in Iraq, but suggested that responding to Iraqi requests, such as the current request to buy excess generated electricity, would be the optimal way to support the stabilization of Iraq and engender good will.

17. (C) On the topic of the employees of a Kuwaiti company who had been kidnapped in Iraq, the Ambassador suggested that companies could insulate themselves from such problems in the future by hiring Iraqis. Dr. Mohammed said he would pass this suggestion on to Kuwaiti companies operating in Iraq.

Article 98

18. (C) Responding to the Ambassador's question on the promised Article 98 Amiri decree (ref a), Dr. Mohammed said the GOK had been advised instead by their legal department to submit the Article 98 agreement to the National Assembly for approval, and would bring the agreement to a vote soon after the end of the current parliamentary recess in October. He said the GOK did not want to repeat the events of early July, when a special session of the Assembly to consider a recess decree had been canceled due to the lack of a quorum (ref b).

19. (C) Turning to other domestic matters, the Foreign Minister said the Prime Minister's trip to Asia had signaled a new era for Kuwait. Noting that security issues had dominated Kuwait's political agenda for fifteen years, he said the government would now turn its attention to "back to trade." He clearly implied that Kuwait was eager to regain its mantle as the Gulf's economic leader.

UNGA

110. Shaykh Dr. Mohammed said that the Kuwaiti delegation to the UN General Assembly would initially be led by the Prime Minister, who would deliver the Kuwaiti speech, but leave shortly thereafter for vacation (Note: Shaykh Sabah maintains a vacation home in New Jersey. End Note.) The Foreign Minister would lead the delegation from this point onward.

111. (C) Comment: The fact that both Shaykh Sabah and Dr. Mohammed chose to highlight economic development as the new priority issue for the GOK indicates that Kuwait may have finally turned a psychological corner, leaving the dark cloud of the invasion behind and attempting to regain their role as the regional economic leader. However, such a role may bring with it a fundamental shift in Kuwaiti attitudes towards its traditional allies. Shaykh Sabah's visit to Asia, which included a stop in China, may be a clue as to where the GOK feels its economic future may lie. End Comment.

TUELLER